Episode 1,399: Why the Welfare State Is Morally Wrong: A New Approach

Guest: Dan Moller

WOODS: What an interesting book. I found out about it by reading Bryan Caplan's glowing review, and I actually began to wonder how it was possible I hadn't heard about a book of this import and so interesting and significant. In a way it does remind me, even though it's a very different book, of Michael Huemer's book *The Problem of Political Authority*, simply in that it's making a defense of libertarianism from something other than a rights-based approach, and in some cases, drawing analogies or just getting us out of the — and by the way, I do believe in rights. I think your argument is just very complementary to what I believe. But it gets us out of the customary ways of arguing about these things into a more common-sense, everyday-morality approach that I think might be more effective in reaching a lot of people that you encounter on a daily basis, who aren't, let's say, familiar with the literature on the history of rights, and so on.

So what I'd like to do is start by reading a hypothetical speech that you pose on page three of the book, and it helps to set the stage for your project here. So it begins as follows. You say:

"Imagine calling a town hall meeting and delivering the following speech: 'My dear assembled citizens, I know most of us are strangers, but of late, I have fallen on hard times through no fault of my own by sheer bad luck. My savings are low, and I don't have friends or family to help. Now as you know, I've previously asked for help from us private citizens as a matter of charity, but unfortunately, that hasn't been sufficient. Thus, I'm here now to insist that you — yes, you, Emma, and you, John — owe me assistance as a matter of justice. It is a deep violation if you don't work additional hours, take fewer vacations if need be, live in a smaller house, or send your kids to a worse school in order to help me. Failing to do so is no less an injustice than failing to pay your debts. Moreover, calling this an injustice means that it's not enough that you comply with your obligations by working on my behalf. No, I insist that you help me to force your fellow citizens to assist me. It doesn't matter if these others say to you that they need the money for their own purposes, that they prefer worthier causes, or if they're just hard-hearted and don't care. To the extent you care about justice, you must help me to force these others to assist me, whether they wish to or not, since that is what is owed me in light of my recent bad luck.'"

All right, what's the purpose of this speech, and tie it into the thesis of your book.

MOLLER: Okay, well, as you mentioned, there's a way of introducing libertarianism that makes it seem like it rests on really strong foundations. You have to believe really crazy stuff about rights, not just ordinary stuff the way we casually throw around the word "rights," but something much, much stronger, a kind of absolutist notion of rights. And then that often

deters people from libertarianism because they think, well, it rests on this really strong premise. And what I've been struck by thinking about these subjects is, it's really hard to avoid libertarian-style conclusions if you just accept fairly modest, fairly common sensical views about morality, how you stand in relation to other people. And the speech is supposed to dramatize the sense of — you know, Caplan used the word "effrontery" in describing it, and I think that's a good word — the sense of effrontery or immodesty that you would have in making that speech, or at least so it seems to me. So the idea is to try and get people to think: you know, you don't have to sign on to crazy moral beliefs about the foundations of morality in order to arrive at libertarian conclusions.

WOODS: Now, while we're on this, we might as well take a moment to deal with the subtitle of the book. What makes this a New England libertarianism?

MOLLER: Well, it's funny. People come to libertarianism in surprisingly different ways. So some people get there — economists often have kind of a utilitarian calculus that they bring to the table, and they think limited government will unlock more utility or something like that, and of course there's Ayn Rand, and there's this natural law tradition that I'm actually fairly friendly toward. But as it happens, for me, it was reading figures like Emerson or Thoreau that actually attracted me to libertarianism. And if you think of the speech, it's just a silly speech, but you know, it's like this town hall setting, and I'm sort of vaguely thinking of New England town halls. And what you find in figures like Emerson and Thoreau, in my beloved *Walden* — I love *Walden* — is the sense that you should aim for self-reliance, and you shouldn't be depending on other people, and above all, you shouldn't try and shift your burdens onto others. So this concept of burden shifting is important to me. I think it's a good way of trying to explain the attraction of libertarianism, and I think of this idea of avoiding burden shifting as something you find preeminently in New England authors.

WOODS: Now, not to be nit-picky, but is there a way in which this idea of burden shifting, isn't this in some way sneaking the idea of rights in? Because if there weren't any rights, then would it just be something — I guess maybe the word "effrontery" is what comes in here, is that you can't imagine yourself actually going up to somebody and making these demands and expecting people to respond favorably to them, because it just strikes you as so foreign to everybody's common moral discourse for you to give a speech like that. But I mean, the rights-based people would say the reason I can't burden-shift is that I have no right to that person's labor. I have no right to expect that that person do that, because that person has a right not to be put upon.

MOLLER: Right, so it's not that I don't think you can discuss these matters in a rights-based framework; it's just that you have to think about rights in the right way. And my worry is that when people invoke rights in this natural law framework, when they bring in Locke, or in the recent philosophical tradition, Robert Nozick, they tend to have in mind absolute rights. And that's where I think things go off the rails, because the conception of rights then just ends up being way too strong. And so I think of this talk of burden shifting as being a way of getting at the less aggressive, less exaggerated conception of rights, if you will, that needs to be on the table.

So for instance, do I have a right to harm you in certain ways? Could I shove you into the ground? Well, not usually, but there are circumstances to avoid oncoming traffic in which I can shove you into the ground. So these rights just have to be calibrated in the right way; they have to be thought through. So I don't in the end think it matters much what our

vocabulary is, whether we use talk of rights or reasons or something else, as long as we get the substance of it right. And my worry about the stuff you see in people like Robert Nozick or in this natural law tradition is often they just miscalibrate the rights that they do talk about.

WOODS: I'm going to ask you now the kind of question that an interviewer would normally ask as a wrap-up question, just because I'm dying to know the answer. And that is, when I read somebody like Frederic Bastiat and he talks about legal plunder, we all know that if I just came up to you and took your stuff, everybody would understand that's a moral enormity, but if the state does it, then we think somehow this is legitimate, it's in a different category or something. And so what he's trying to say to you is, in a way, you already agree with me. There's this part of you that already gets the basic moral point.

MOLLER: Right.

WOODS: Well, likewise for the book that Michael Huemer wrote, he's got some great analogies in there. In your personal life, would you tolerate X or Y, or could you get away with this, or would you think it was good to get away with this? And then we have your book, which makes another series of compelling arguments that are speaking to basic moral intuitions that we do at some fundamental level share. And yet — here comes the question — why are our ideas so unpopular, if we are speaking to something that's so that's really at the core of our moral beings?

MOLLER: Okay, that's an excellent question. I think what happens here is people can pick up the discussion from two sides or two ends of a long chain, and then depending on which side you grab hold of, the other side can start to look crazy. So if you start the argument by just asking, *Wait a minute, would you really take seriously going up to your neighbors and saying, "Hey, I need your stuff, because I want to give it to those other people down the road?"* That's insane. Everyone would just laugh you off the block, and that's the point people like Michael Huemer and me are getting it. But at the other end of the chain, if you ask people, "Hey, wait a minute, do you think we should have a society that takes care of people who are fallen on hard times, and so on?" they say, yeah, sure, to that as well. And so what happens is there's this disconnect. Depending on where you pick up the conversation, you end up in a slightly different place.

And so what you need to try and do in a book like this and a book like Huemer's is try and force people to see that this one side of the chain is one that they can't ignore and let go of, and you try and make your case for thinking that when you just start vaguely generalizing about society or how you've gotten used to thinking about the welfare state, that that's less compelling, and that what's happened there is you've just kind of gotten used to a certain way of talking; certain political battles were fought and won, and you're then sort of indoctrinated to think about these things in a certain way, and never go back to these foundational questions of what are you really permitted to do to your friends and neighbors, which is ultimately what your fellow citizens are.

WOODS: Early on in part one of the book, you're talking about property, which is a pretty good framework for understanding what follows. So let's start there before we get into the welfare state and talk about how what you're proposing with regard to property and how we ought to think about it develops, builds upon, or diverges from, let's say, the Lockean tradition.

MOLLER: Sure. So again, I am very sympathetic to the Lockean tradition. There are two places where I think Locke went wrong. One is: Locke is usually described as having a labor theory of property. How is it that the stuff that's originally a common — God creates the world; you didn't create it — how does an individual get to claim some hunk of it as his? And his answer is: you expend labor upon it, and that is what removes it from the commons and gives you a special claim to it. He then notes that there are all these kind of qualifications you need. You need a so-called proviso to say, well, as long as there's enough and as good for others so that they can go make their claim. And he says all these other things.

And what I think he missed is that there's nothing special about labor. There's just a range of basic moral claims or things we can do that would give us a claim to various objects or to abstract things like money. And so I think his case is much more compelling if you just say, look, imagine there's an arbitration panel, and you need to put moral stuff on the table to explain why you should have control over some asset rather than someone else, there's all kinds of stuff that we could come up with there. Like you created it, right, or put in the time to do it, or you formed an agreement with someone else that would give you certain rights over it, and so on. And so I think if you just think of property in moral terms the way Locke said, but you don't just make it labor specifically, the theory becomes much more compelling.

And just very briefly, the other points where I think Lockeans have kind of gone astray after Locke is they're still trapped in his agricultural model, and we live in a service economy, and that makes a big difference.

WOODS: I suppose it does, but I guess if Locke is saying, as you say, we begin in this state where nobody owns anything or it's owned in common, and we have to figure out how somebody can withdraw something and call it his own — but you're right that today, there's very little on earth where that still applies. But okay, maybe that initial problem doesn't apply, but once all the previously unowned land, let's say, comes into cultivation or is owned by somebody, well, then we just went seed on the basis of sale or donation or bequest. And so the Lockean chains still exists, and it just brings us up to a service economy.

MOLLER: The reason I don't think it does is what Locke is fundamentally focused on his land, which makes total sense from his perspective, right? He's living in an agricultural economy. Where do wealthy people get their wealth from? It's from the land. It's from natural resources. But the big shift is it's just not about natural resources anymore, right? I mean, there are places, there are times; you know, we can talk about Saudi Arabia. But the reason America is rich, the reason Japan is rich has nothing to do with natural resources. There's no stuff in Japan. The reason they're rich has nothing to do with stuff or land or anything like that. It has to do with the services that they provide, which ultimately go back to human ingenuity, to creativity, stuff like that. And I actually think that this is just strengthening the libertarian case. I think it's much harder to resist libertarian arguments when the claim you have to make is not just, *Well, come on, we all ultimately own the world and its natural resources in common, and so everyone should get their fair share*. This is a story sometimes hear. You can't really make that point about the service economy, right? It's just some guy, somewhere, tapping onto his computer, writing a piece of code, devising an algorithm, painting a nice picture, cooking a nice meal. It's harder to explain where I would get a right to make some claim on the value that you've generated thereby.

WOODS: I'll have to think about that. I mean, you may have something there. I'll have to think about that. But from there, from this discussion of property and where it comes from and how we can say that we're entitled to some kinds of property, then we can move to the argument, the primary argument of your book — and by the way, I want to point out I like how, at the beginning of your book, you say that there are plenty of issues that libertarians grapple with that are left out of this book, partly because you don't become that unpopular by talking about them. There are a lot of people in this day and age who are very willing to talk about drug legalization. But if you say, "Oh, by the way, I'm also against the welfare state," they want to throw you out a window. And what's the fun of being a philosopher if you don't take on the people-want-to-throw-me-out-a-window type of argument? So that's part of the rationale for why you're focusing on that. So let's take that now. You've laid the foundations with a discussion of property. Now, how do we integrate that into your discussion of aid?

MOLLER: The point about aid is just this: if you're going to be a moral libertarian, if you're going to say the reason we should be libertarians isn't just because you think it's economically efficient, but you think there's a moral case of broadly the sort that Locke developed originally, you might then have this kind of worry that, well, wait a minute, shouldn't you be generous? Shouldn't you be kind to your neighbors? Don't you want to be kind to them? And so there's this kind of question of, well, if you're a libertarian, aren't you committed to being kind of stingy and denying that you have much of a moral reason to help other people around you? Because if you did, why would you be so resistant to the state trying to do all the stuff that you should be doing anyway, like helping your neighbors and so on? And so the point there is just to try and explain that the reasoning behind libertarianism is not that you're stingy or you don't want to help people or something, but the thing that you're resistant to is *compelling* people to do that. So if you feel compassion for the people down the road and you want to help them, by golly, you go help them. And if you want me to pitch in, my gosh, I'm happy to listen. But the part that libertarians are opposed to is the idea that no, you're not going to go help them; you're going to instead use them the machinations of the state to compel other people to go help them. And that's just the wrong way to think about helping other people.

WOODS: Well, getting back to this speech with which you begin the book, there is a critical part in which the speech giver says that in the past, he's made appeals to people on the grounds of charity, and this just has not proven to be enough, so he's now going to make an appeal on the basis of justice, and he wants compulsion. And that's the argument that libertarians face the most. There are plenty of people who are willing to accept that there is something admirable about the way we describe how society should be, that we should all interact on a voluntary basis. But they'll say, unfortunately, that just comes up against reality. The problems of poverty and deprivation are so great that a voluntary solution could never begin to solve them. And so because of that, we have to take what might otherwise be a very attractive moral vision and make some modifications to it just because of practical reality.

MOLLER: Yeah, let me make two points about that. So one is, there are people in the libertarian tradition, to be fair, who have been hostile to altruism itself. So in Ayn Rand, a really striking feature of her writing is that she's downright hostile toward the very idea of altruism and the message of altruism. And I don't have quite such a strident view. I'm all in favor of trying to help people. And I'm moved by portraits of deprivation and people down on their luck. But second point, I think that it's really helpful to have a sense of history. One of the things I do in the book is try and pay a little bit of attention to economic history. And if

you ask yourself basic questions like, well, wait a minute, not that long ago, we were all digging in the dirt for potatoes, right? We were living in this agricultural economy just trying to survive. How is it that we wind up living in a nice house and cars and so on, at least on average? And the answer has nothing to do with transfers. The way all that stuff got generated in the first place had nothing to do with top-down planning or welfare programs. The way we became a wealthy society in the first place just had nothing to do with that. And I think when you pay more attention to that history and ask yourself about how over the long term has it happened that people have emerged from poverty and succeeded, it becomes much less compelling to think that we must have this welfare state.

WOODS: Page 110 of your book, you say this: "The real problem with enforcing imperfect duties is that, for most people, the latitude in their fulfillment is so great that there is no way for the state to assess whether our duties have been fulfilled, at least not within reasonable limits on the powers and invasiveness of the state." And then you proceed, if I'm recalling the argument well enough, to discuss how difficult it actually is to see if, let's say, a particular household is living up to what the state considers its moral obligations to be, because the individual circumstances of each household are so different. Maybe in one household, a son is taking care of ailing parents and legitimately the most he can give is zero in that situation. So we're nevertheless going to assess them 30%? Well, how does that make sense?

Or it actually puts me in mind of, I think it was George Stigler, who, when responding to people who advocated the so-called living wage, said, all right, well, look, we have to figure out how to calculate that living wage. Do we calculate it on the basis of literally what keeps a person alive? Because it turns out, you can stay alive with such-and-such number of cans of navy beans, such-and-such number of cans of evaporated milk, and he lays out the most undesirable diet you could possibly imagine. But then beyond that, you have to ask, well, are people legitimately allowed to go to the movies when other people need help? So do we have to turn their movie budget to zero? Are they allowed to have any entertainment whatsoever as long as there's any poverty anywhere in the world? And you realize this is an intractable problem.

MOLLER: Right, the concept of an imperfect duty is a really interesting one. So Immanuel Kant drew this distinction between obligations that are always and everywhere on you — for instance, not to kill someone, right? Not killing the innocent is a perfect duty. It's not like you have some latitude, where sometimes you can blow off that duty. But then there are imperfect duties, like developing your talents or helping people who are in need. And his idea there was, you have a goal, and that goal is important. That aim of helping the worse-off or developing your talents, that's a legitimate aim, and it's an important one to advance. But it's really hard to say in advance who and under what circumstances should be doing what in order to advance that aim. And you often have this worry when you see people talking, especially in politics or on cable news or something, when they say, *Oh, you know, they, they don't need this stuff. Can't they just help these other people?* Even when they talk about companies sometimes, there's just sort of this casual talk of, *Well, they have all this stuff.* And this idea of imperfect duties, I think, gets at what's worrisome about that. It's very hard to know in advance when someone specifically is required to promote some aim. If you're supposed to develop your talents, it's like, Saturday morning, do you have to do it right then, or is it okay for you to watch TV then and do it some other time? And I think the same thing is true when it comes to aid.

WOODS: Now, as I told people at the beginning, there's so much in this book, I'm just picking out issues that are of particular interest to me, but there's a ton more in here. I want to talk for a few minutes about a topic that is of great interest to me, and it's the subject of how philosophers have tried to deal with the issue of luck and how that factors in to economic outcomes, but also to our moral duties, perhaps even to the state. Do we have a duty to the state to hand over some portion of our income, because strictly speaking, we're not entitled to it, because if I happen to have some talent, I did nothing to earn that or "deserve it," in quotation marks. So perhaps, then — now, it seems to me there's kind of a logical leap that goes on from, Your talent is unmerited, it's just part of who you are, and therefore you're able to, let's say, command a higher income than other people who lack that talent, *so therefore, the state should be able to yank some of your income*, seems to be a bit of a leap to me. Bur how do you try and solve and deal with that problem of luck?

MOLLER: One thing that I think tends to go wrong here is people naturally default to thinking about luck in terms of dessert. Now, you mentioned entitlement, which I think is the right thing to think about here, but people naturally default to dessert. And even when they talk about entitlement, dessert often sneaks its way back in there. So when you get rich because a random celebrity showed up in your restaurant or something and Instagrammed — you know, just totally random stuff, completely out of your control — it's hard to see that you deserve your success more than the business across the street, where the celebrity happened not to go there. And that strikes me as right, and people then think that, well, because you don't deserve that income, it's fine to take it. But I think the right concept here is entitlement, and entitlement works differently. Luck tends to destroy dessert, but I don't think it destroys entitlement. So if you're engaged in activity that's legitimate and that's okay, there are circumstances in which you're simply morally entitled to what you get, even when you don't deserve it in the sense that's contrary to luck. So in the celebrity Instagram case, I just don't see any case for thinking that you aren't entitled to what you have, even if you do deserve it. If you just think of everyday, ordinary cases, the fact that won your money through a literal lottery process that ,by construction, is just lucky, does not mean that you're less entitled to it, in my view. So that's a distinction I think is very important to maintain.

WOODS: Now, I don't know if it was G.A. Cohen or somebody else who developed the idea, but there is this thought experiment involving vision, where I've got two functioning eyes and a blind person does not. Now, presuming that the biology worked this way, we could vastly improve the standard of living of the blind person by taking one of my functioning eyes because he goes from zero to sight, whereas I go from really good sight to mediocre sight. Well, maybe that's a less of an inconvenience to me than it is a gain to him. And so it seems that that's also a kind of luck. I mean, I didn't deserve those eyes. But when you give examples like that, suddenly you realize, yeah, okay, maybe I don't deserve the eyes, but there is a sense in which I'm entitled to my eyes.

MOLLER: You would think so, though, the amazing thing about G.A. Cohen, who was a storied Marxist at Oxford, was that he wanted to bite the bullet on examples like that. So this may be one of those cases where, to most people, it will seem like a kind of reductio ad absurdum once you think about these parts-of-your-body cases, but people like Cohen, I guess, want to heroically carry on.

WOODS: Right, right, right. But this is one of those cases where the common-sense intuitions of mankind actually come out in our favor for a change.

MOLLER: I think so.

WOODS: [laughing] I'm not too worried about implementing it. Well, let me close with this question. One of the patterns that I note in libertarian argumentation as compared to, let's say, the arguments we might hear from socialists, is that the libertarians sound negative all the time. *The state can't do this. You can't do that*. Whereas the socialists are painting a picture, even if it's at variance with how socialism has worked in practice, at least they're painting a picture of a good society. *This is how we want society to look, and that's what we're fighting for*. And we do that much less frequently. So do you want to take a crack at it? What does that libertarian society look like?

MOLLER: Well, let me — actually, I can't quite resist intervening for just a moment and saying the reason the story from the socialist sounds positive is usually because the story they're giving is incredibly misleading. And so what I always demand is, okay, you're in favor of helping the worse-off and so on, but let's insist that we always add to all of these nice phrases, soto voce, you know, "by using threats or violence against other people to get their stuff," right? Because if it were really just a story of we're going to have this glorious utopia, and the way it's going to work is it's going to be an opt-in system, we're going to use reason and persuasion, you wouldn't need to have the state do it. So the whole point to have their nice vision is that it's all going to come about through this incredibly nasty stuff. It's just that they leave that part out of the picture.

In terms of what the positive story for libertarians is, I just invite people to think about how much has been accomplished, how much great stuff, great art, great economic development over the last several hundred years, that just had nothing to do with people planning it out or the state transferring one thing to another person. And when you think about what we can accomplish just through human ingenuity and human creativity, I just see much less temptation to think that everything good has to come through issuing threats and violence directed toward your neighbors to compel them to shift things around with the state.

WOODS: Well, the book is *Governing Least: A New England Libertarianism* by Dan Moller. I'm linking to it on our show notes page; this being Episode 1399, it'll be TomWoods.com/1399. Dan, you have a website that I myself was just looking at, DanMoller.org, and I have to I'm very intrigued by your article on "The Boring," and I will be reading that. I'm very, very interested in that. Is there anything else you'd like to promote as we wrap up?

MOLLER: No, that sounds good.

WOODS: Okay, excellent. So folks, definitely pick up *Governing Least*. And I know I recommend a lot of books to you guys, but it's not very often that a really foundational work in our tradition comes along. We have a lot of books on looking at the marginal case or looking at a historical case study or whatever, but this really is a foundational work in how we situate our tradition and how we explain and defend ourselves, so I recommend it to you strongly. So check it out; it'll be linked at TomWoods.com/1399. Thank you, Dan.

MOLLER: Thank you, it's been good to talk with you.